GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4255
ANSWERED ON:04.05.2007
OPENING OF BRANCHES BY FOREIGN BANKS
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Will the Minister of FINANCE be pleased to state:

(a) whether as per the WTO commitment, the Government has allowed foreign banks to open branches in the country in the first phase between 2005-2009;

(b) if so, the details thereof; and

(c) the details of criteria fixed for permitting such foreign banks?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) : In the first phase (April 2005 to March 2009) of the `Roadmap for the presence of foreign banks in India` issued by Reserve Bank of India, it is proposed to go beyond the existing WTO commitment of 12 branches in a year for new and existing foreign banks.

(C) Parameters considered while permitting foreign banks to open their branches in India, inter-alia, include India`s commitments at WTO, capital requirement guidelines issued by RBI, regulatory comfort, diplomatic / economic / trade relations of India with the home country of foreign bank, treatment extended to Indian banks in the home country of the applicant bank, track record of compliance and functioning of the bank and of its group in the global markets, etc.